



**Director of
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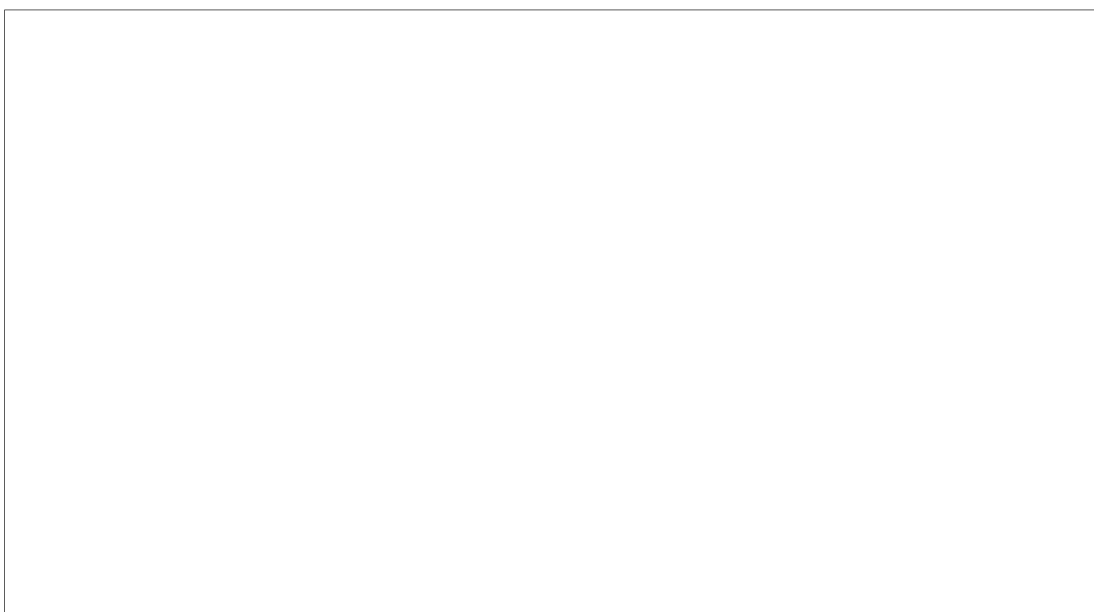


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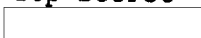
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INTERNATIONAL: Preview of Socialist Meeting

Debate about the Socialist International's leadership and its Central American policy will enliven its semiannual meeting on Wednesday in Basel, Switzerland.

An informal gathering tomorrow will consider who should be elected to the presidency of the International in April. Although many party presidents will be present, Austrian Chancellor Kreisky, Swedish Prime Minister Palme, and Felipe Gonzalez of Spain are not expected to attend.

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Comment: The maneuvering over who will succeed President Willy Brandt may dominate the proceedings. Despite earlier statements to the contrary, Brandt may continue in office if he detects enough support at the meeting.

Salvadoran Government actions against the political opposition may galvanize what had promised to be a lack-luster discussion of Central American topics. The Socialist International is likely to demand the release of those arrested, ask for assurances about the safety of exiled National Revolutionary Movement leader Ungo, and declare its solidarity with the Movement.

The Socialist International has had trouble recently deciding how it can contribute to slowing the arms race and reducing tension in the Middle East. The meeting, however, is not likely to make any progress on these issues.

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③ NIGERIA: Difficult Days Ahead

Recent reporting indicates that declining oil revenues, economic mismanagement, and government corruption may lead to a loss of public confidence in President Shagari, threaten elections in mid-1983, and invite a military takeover next year.

US officials in Lagos report that the government has not implemented effectively the various austerity measures it imposed last April to deal with the continued decline in oil revenues. They cite Nigeria's refusal to scale down its ambitious development program and cut imports. A staggering \$2 billion backlog in import payments has raised concerns among international banks about the country's credit rating, and many banks have already suspended new credits.

According to the assessment, the government is increasingly vulnerable to future charges of mismanagement and toleration of high-level corruption. Poorly managed voter registration last summer also has sowed public doubts about the government's ability to conduct fair elections.

Rumors of dissent and poor morale among enlisted men and junior to mid-level officers caused Shagari to assume control of the Defense portfolio late last month. Recent serious Islamic rioting in the north--although being brought under control--could add to perceptions of government ineptness.

Comment: Despite Nigeria's problems, labor and students--traditional bellwethers of political discontent--remain quiescent, and political party violence is no greater than normal. The political opposition has not yet made the economy an election issue, but Lagos probably will be forced to make a major economic retrenchment just as intense election campaigning begins next spring.

Senior Army officers and security officials--most of them northerners, like Shagari--remain loyal to the government and are unlikely to move to seize power any time soon. Sentiment for a coup would snowball, however, if political criticism, widespread food shortages, unemployment, or heavyhanded government manipulation of the elections touched off extensive violence.

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